Disinvestment of Air India and Indian Airlines

*117. SHRI C. RAMACHANDRAIAH:
SHRI NAGENDRA NATH OJHA:

Will the Minister of DISINVESTMENT be pleased to state:

(a) the latest position with regard to disinvestment of Air India and Indian Airlines;

(b) the details of conditionalities laid down therefor particularly with regard to antecedents, creditability, past experience of bidders, valuation and transparency of assets, national security, etc.;

(c) whether Government have decided to go in for disinvestment of either of above airlines even if there remained only a single bidder after scrutinizing the bids;

(d) if so, the details thereof and the reasons therefor; and

(e) whether Government have taken precautions including consultat'on with CVC to avoid complications and avoidable controversies that arose in recent disinvestment of BALCO?

THE MINISTER OF STATE OF THE DEPARTMENT OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) The disinvestment processes of Air India and Indian Airlines are at an advanced stage.

(b) Conditionalities laid down for bidders of Air India and Indian Airlines are as follows:—

- The Strategic Partner (company(ies)/Joint venture(s)/ consortium(s) should have a combined networth in excess of Rs. 1000 Crore/USS 225 Million, as per latest audited balance sheet. The bidder could get disqualified if it is discovered at any time that the bidder is the subject matter of winding up/ insolvency or other proceedings of a similar nature.
- Strategic Partner would need to meet the security requirements of the country as determined by Government of India. The bidder would also get disqualified if at any time it is discovered or determined by Government of India that the bidder is a

person who constitutes a threat to the security requirements of the country or has any conflict of interest with Air India or its affiliates.

- The bidder could also get disqualified if the Government of India is not satisfied with the source of funds/ownership structure of the bidder.
- In the case of Indian Airlines, an additional condition was that the air transport carriers in India were not permitted to participate in the sale.
- As regards valuation and transparency of assets, a detailed valuation exercise would be undertaken by the global advisor based on standardized valuation methodology. In the case of Air India, Government has decided to obtain in addition valuation reports from two independent valuers, other than the global advisors.

(c) and (d) The Government will go ahead with disinvestment even if a single price bid offer is made, provided the single bid exceeds the reserve price, based upon the valuation reports received by the Government.

(e) The government, in consultation with various organizations, have put in place a transparent procedure including standardization of valuation methodology which should obviate controversy.

Serials on the National and Metro Channel of DD

†*118. SHRI JANESHWAR MISHRA: Will the Minister of INFORMATION AND BROADCASTING be pleased to state:

(a) whether it is a fact that rural India is not being shown in ongoing serials on the national and metro channels of Doordarshan;

(b) whether it is also a fact that most of the serials are centred around degenerating neo-rich class of cities; and

† Original notice of the Question was received in Hindi.